

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

FCS ADVISORS, LLC,

Plaintiff,

—against—

21 Civ. 6995 (PKC)

THEIA GROUP, INC., d/b/a “THORIAN
GROUP” and/or “CYPHERIAN”; THEIA
AVIATION, LLC; and THEIA HOLDINGS
A, INC., d/b/a “THORIAN HOLDINGS,”

Defendants.

**SEVENTH INTERIM REPORT OF
RECEIVER**

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*Counsel for Michael Fuqua, in his capacity as Receiver of
Theia Group, Inc., Theia Aviation LLC, and Theia Holdings A, Inc.*

Michael Fuqua, Court-appointed receiver (the “Receiver”) for Theia Group, Inc. (“TGI”), Theia Aviation LLC, and Theia Holdings A, Inc. (collectively, the “Receivership Entities”), respectfully submits this Status Report (the “Report”) for the seventh reporting period in accordance with the Order of the United States District Court for the Southern District of New York (this “Court”) entered on November 8, 2021 (Doc 117) (the “Receivership Order”), and for the purpose of reporting on the Receiver’s work following entry of the *Order (I) Approving the Sale of the Receivership Entities’ Assets Free and Clear of Liens, Claims, Rights, Encumbrances, and other Interest, and (II) Granting Related Relief* (Doc 411) on October 26, 2023 (the “Sale Order”).¹

I. PROTECTING THE RECEIVERSHIP ASSETS

Subsequent to entry of the Sale Order, the Receiver has continued to work to protect the Receivership Entities’ assets while they transition to LTS Systems LLC (the “Buyer”) pursuant to the Sale Order entered by the Court. Additionally, with approval from the Buyer and with funds remaining from the loans provided to the Receivership Entities pursuant to the Financing Orders, the Receiver has continued to pay a number of critical obligations of the Receivership Entities necessary to the continued preservation of the assets during the transition. Such obligations include, among other things, amounts necessary to safely store certain assets of the Receivership Estate, maintain various insurance policies and subscription services (such as Microsoft, Intuit QuickBooks, and other programs) in accordance with the Receivership Order and as otherwise approved by the Court.

A. Financial & Accounting Records

Since the entry of the Sale Order, the Receiver continues to maintain the Receivership Entities’ books and records as the transition of assets continues.

¹ Capitalized terms used but not defined herein shall have the meanings given to them in the Sale Order.

B. Regulatory Issues

The Receiver and his regulatory counsel, Akin Gump Strauss Hauer & Feld LLP, have been working with the Buyer and its counsel to prepare the transfer request of the FCC License and NOAA License. Subsequent to entry of the Sale Order, the Buyer agreed to sell the FCC License and NOAA License to Athena-5 Systems Corp., a subsidiary of EMTECH GLOBAL INTERNATIONAL, LLC (“Emtech”). The Receiver and his regulatory counsel worked with both parties to prepare and submit the FCC License and NOAA License transfer requests. The Receiver, along with the Buyer and Emtech, is now awaiting governmental approval of the transfer requests.

C. Intellectual Property

As part of the transfer of the Receivership Entities’ assets to the Buyer, the Receiver continues to work with Frank J. Bonini, Jr., Esq. of Bonini Law to protect the Receivership Entities’ domestic and international intellectual property filings (*i.e.*, trademarks and patents) by facilitating the payment of renewal and other required fees and amounts due.

D. Other Assets

As part of the transfer of the Receivership Entities’ assets to the Buyer, the Receiver has assisted the Buyer with the sale of a DC 3 aircraft that was owned free and clear by the Receivership Entities. The purchase price of sale of that DC aircraft was \$9.5 million. None of the proceeds were paid over to the Receiver or used to pay the Assumed Liabilities for which the Buyer is liable under the Sale Order.

Because the Receiver believes that closing the sale approved in the Sale Order is in the Receivership Entities’ best interests, the Receiver is continuing to work with the Buyer to consummate the sale for the remaining assets of the Receivership Entities that are the subject of the Sale Order.

Dated: April 9, 2024
New York, New York

Respectfully submitted,

KING & SPALDING LLP

By: /s/ Kevin O'Brien
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